

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of the Application of	)	
	)	
<b>WORLDCOM, INC. (Debtor-in-Possession)</b>	)	
d/b/a MCI and	)	
Certain of its Subsidiaries (as debtors-in-possession)	)	Docket No. WC 02-215
	)	
For Authorization to Transfer and/or Assign Blanket	)	
Domestic Section 214 Authorization and International	)	
Section 214 Authorizations Pursuant to Section 214 of the	)	
Communications Act of 1934, as Amended	)	
	)	

**OPPOSITION TO APPLICATION FOR REVIEW**

BellSouth opposes the Application for Review ("AFR") filed by Margaret F. Snyder on January 20, 2004. The Commission must deny the AFR because Ms. Snyder offers no valid basis for overturning the finding of the Chief of the Wireless Telecommunications Bureau. Additionally, even if the Commission granted Ms. Snyder's request it provides her no relief.

**I. Introduction and Background**

BellSouth was a creditor in WorldCom's bankruptcy proceeding. This was a very public proceeding with many creditors, who were fully represented by capable lawyers. In this proceeding, BellSouth, like most creditors, reached a settlement agreement with WorldCom, which was approved by the bankruptcy court.

Having had its plan of reorganization approved by the bankruptcy court, WorldCom is now seeking to emerge from bankruptcy as MCI, its post-bankruptcy operating company. In doing so, WorldCom is attempting to transfer control of certain license to MCI, which is the

basis of the current proceeding. In the course of the proceeding, the Commission notified BellSouth that certain statements attributed to BellSouth in the press could constitute a perceived threat to file an opposition to WorldCom's licenses transfer. The Commission concluded that BellSouth's refrain from filing an opposition required approval by the Commission pursuant to 47 C.F.R. § 1.935. Although BellSouth never intended to oppose the licenses transfer and disagreed that any statements attributed to it in the press constituted a threat, BellSouth agreed to file a motion seeking the approval the Commission stated was necessary under § 1.935. BellSouth agreed to make this filing only with its understanding that the information would remain confidential. Accordingly, BellSouth filed a motion and affidavit as set forth in § 1.935. BellSouth appropriately filed the motion and affidavit under seal.

Subsequent to BellSouth's filing, Ms. Snyder requested to view the information. Upon receiving the request, the Commission issued a protective order that allowed all parties who are actively engaged in the conduct of the proceeding to view the information and use it in the proceeding, but required that the information remain protected from open disclosure to the public. BellSouth did not object to the confidential information being provided to the parties identified in the protective order, subject to the protective order's terms, and Ms. Snyder, through her attorney, obtained and viewed the information. Ms. Snyder made subsequent filings regarding the information she viewed under the protective order.

## **II. The Commission Should Deny the AFR and Affirm the Bureau's Findings**

In its letter ruling that Ms. Snyder appeals, the Bureau stated "[it] has reviewed BellSouth's agreement with WorldCom, the documents filed by these parties, and the evidence concerning potential threats to oppose WorldCom's applications. We find that there is insufficient evidence to conclude that Bellsouth made the type of threat covered by section 1.935

and, therefore, the agreement is not covered by the rule.”<sup>1</sup> Despite Ms. Snyder’s claims that the action taken by the Bureau (1) is in conflict with § 1.935; (2) involves the application of a precedent or policy that should be overturned; and (3) involves an erroneous finding as to an important or material question of fact, she offers nothing other than her disagreement with the Bureau conclusion as a basis for reversal. Her real dispute appears to be with the bankruptcy court that approved the settlement between BellSouth and WorldCom. Having failed to convince the bankruptcy court of any improprieties in the agreement, she now takes aim at the Commission. Her attempts at using the Commission to gain backdoor relief from the bankruptcy proceeding, however, must fail.

First, her attempt to have the Commission invoke 47 C.F.R. § 1.935 based on her mere *ipse dixit* statement that the bankruptcy-approved settlement agreement included an amount for BellSouth’s silence is beyond belief. Under Ms. Snyder’s theory, every creditor involved in the WorldCom bankruptcy must file a motion for approval with the Commission pursuant to § 1.935 to determine if, in the Commission’s discretion, the amount received exceeded what Ms. Snyder believes to be a fair settlement. Clearly, 47 C.F.R. § 1.935 was not implemented for such a purpose and should not be used in that manner. The Bureau was therefore correct in its finding that “there is insufficient evidence to conclude that Bellsouth made the type of threat covered by section 1.935 and, therefore, the agreement is not covered by the rule.”<sup>2</sup>

Second, even if the Commission determined that the Bureau erred in its decision – certainly it cannot reach that conclusion based on Ms Snyder’s claims but if it did so on some

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<sup>1</sup> Letter from John B. Muleta, Chief, Wireless Telecommunications Bureau, to Arthur V. Belendiuk, Smith & Belendiuk, P.C., and Stephen L. Earnest, Regulatory Counsel, BellSouth Corporation, WC Docket No. 02-215, DA 03-3844, at 2 (Dec. 19, 2003).

<sup>2</sup> *Id.*

other basis – Ms. Snyder would receive no relief. Reversing the Bureau’s decision would only affect the applicability of 47 C.F.R. § 1.935 to the bankruptcy agreement. That applicability is only relevant as a factor in determining whether the Commission should approve the license transfer from WorldCom’s pre-bankruptcy entity to its post-bankruptcy entity. That decision, however, has already been made – the Commission approved the transfer in an order adopted December 15, 2003. Thus, because the transfer is complete, the applicability of 47 C.F.R. § 1.935 is moot.

For the reasons stated herein, the Commission must deny the AFR and affirm the Bureau’s decision that Bellsouth did not make “the type of threat covered by section 1.935 and, therefore, the agreement is not covered by the rule.”<sup>3</sup>

Respectfully submitted,

BELLSOUTH TELECOMMUNICATIONS, INC.

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Dated: February 4, 2004

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<sup>3</sup> *Id.*

**CERTIFICATE OF SERVICE**

I do hereby certify that I have this 4<sup>th</sup> day of February 2004 served the following parties to this action with a copy of the foregoing **OPPOSITION TO APPLICATION FOR REVIEW** via electronic filing or U.S. Mail to the parties listed below.

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